



To: Members, Executive Committee
From: Glenn Hegar, Treasurer
Date: November 2, 2017
Subject: Financial Statements for the three-month period ended September 30, 2017

OVERALL COMMENTS:

Attached are the financial statements for the three months ended September 30, 2017.

The budget column amounts in the attached report are computed and are based on the amounts in the fiscal year 2018 budget approved at the meeting of the Commission on August 2, 2017, in Louisville, Kentucky.

Membership assessments, Joint Audit Program fees, and Nexus Program fees are recognized ratably throughout the year.

Administrative Services expenses are allocated based on the relative expenses of each department that receives an allocation.

Favorable variances (for revenue or expense items) are shown as positive numbers and unfavorable variances (for revenue or expense items) are shown as negative numbers.

BUDGET AND FUND SUMMARY:

General Operations –

The actual year to date deficit in this program area was substantially the result of additional expenditures related to the 50th Annual Conference.

Audit Program –

The actual year to date surplus in this program area was a consequence of personnel cost savings from one auditor position that is unfilled.

Nexus Program –

The actual year to date surplus in this program area was primarily the result of personnel cost savings from one vacant position in this program.

Training Program –

The training program sets registration fee levels for its schools on a cost recovery basis and taking into account a projected number of students at each school. The program's results for the first three months of this fiscal year are approximately break-even. During the three months ended September 30, 2017, one training school was held, a Nexus School.

INCOME STATEMENT - Revenues:

Effective July 1, 2017, Louisiana expanded its participation in the Joint Audit Program such that the contract with Louisiana now includes multistate income and franchise tax audits. As a result of this there is a \$7,551 favorable variance in audit program fees.

INCOME STATEMENT - Expenditures:

Salaries, Retirement, and Employee Insurance show favorable variances for the three months ended September 30, 2017. These favorable variances are primarily due to the vacant positions noted earlier.

Conferences and Meetings shows an unfavorable variance for the three months ended September 30, 2017, because of additional expenditures related to the 50th Annual Conference.

Consultant / Contractor Fees shows an unfavorable variance for the three months ended September 30, 2017, because of fees paid to Cleo Communications for technical support during the installation of software purchased from Cleo Communications. This software provides a managed file transfer (MFT) solution that enables MTC staff (particularly audit staff) to securely manage, and control data flow with external (non-MTC) personnel. The software installation is now complete.

Legislative - Consulting shows a favorable variance because the Commission is not currently paying a monthly retainer fee for legislative consulting.

Furniture and Equipment shows an unfavorable variance due to the purchase for \$32,058 of a Cybernetics Storage Area Network (SAN) with twenty four terabytes of redundant storage. This unit was needed to replace the aging SAN as well as provide additional storage to support the storage needs of the Cleo Communications software managed file transfer (MFT) solution.

BALANCE SHEET – Appropriated Funds:

A \$15,000 50th Anniversary Conference fund was approved during the year ended June 30, 2017, to provide additional support for the Commission's 50th anniversary conference during August 2017.

A \$60,000 Staff Development fund was authorized during the year ended June 30, 2017, to provide the financial resources for a two-day staff development meeting held in August 2017.

The balances in both of these appropriated funds were spent in August 2017 for the approved purposes.



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Budget and Fund Summary
 For the Three Months Ending Saturday, September 30, 2017

	Current Period		Year-to-Date		Variance
	Budget	Actual	Budget	Actual	
OPERATIONS BY PROGRAM & TOTAL					
GENERAL OPERATIONS PROGRAM					
Revenues	\$145,168	\$154,642	\$461,504	\$464,864	\$3,360
Expenses	150,263	139,875	484,024	481,175	2,849
SURPLUS/DEFICIT - GEN OPERATIONS	(5,095)	14,767	(22,520)	(16,311)	6,209
ADMINISTRATIVE SERVICES					
Revenues	0		0		
Expenses					
SURPLUS/DEFICIT - ADMIN. SERVICES					
AUDIT PROGRAM					
Revenues and Transfers	377,431	379,948	1,132,294	1,139,845	7,551
Expenses	375,551	354,963	1,132,154	1,095,427	36,727
SURPLUS/DEFICIT - AUDIT	1,880	24,985	140	44,418	44,278
NEXUS PROGRAM					
Revenues and Transfers	67,741	67,741	203,222	203,222	26,119
Expenses	66,296	52,544	203,887	177,768	26,119
SURPLUS/DEFICIT - NEXUS PROGRAM	1,445	15,197	(665)	25,454	26,119
TRAINING & EDUCATION					
Revenues and Transfers	33,959	14,920	33,959	14,920	(19,039)
Expenses	26,225	15,092	28,075	15,918	12,157
SURPLUS/DEFICIT - TRAINING & EDUCATION	7,734	(172)	5,884	(998)	(6,882)
OTHER PROJECTS (SITAS)					
Revenues and Transfers					
Expenses					
SURPLUS/DEFICIT - OTHER PROJECTS					
TOTAL OPERATIONS					
Revenues and Transfers	624,298	617,251	1,830,979	1,822,851	(8,128)
Expenses	618,336	562,474	1,848,140	1,770,288	77,852
SURPLUS/DEFICIT - TOTAL OPERATIONS	5,962	54,777	(17,161)	52,563	69,724



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Three Months Ending 9/30/2017

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Period:Three

	Current Period		Year-to-Date	
	Actual	Variance	Actual	Variance
REVENUES				
MEMBER ASSESSMENTS	\$110,833	\$0	\$332,500	\$0
OPERATIONS SUPPORT SURCHARGE-AUDIT	19,489	0	58,468	0
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,637	0	16,911	0
AUDIT PROGRAM FEES	377,431	2,517	1,132,294	7,551
INVESTMENT INCOME	9,167	7,445	27,500	2,690
NEXUS PROGRAM FEES	67,741	0	203,222	0
CONFERENCE FEES	0	2,070	26,000	795
MISCELLANEOUS REVENUE	42	(42)	0	(125)
TRAINING PROGRAM FEES	33,959	(19,039)	14,920	(19,039)
TOTAL REVENUES	\$624,299	(\$7,049)	\$1,822,851	(\$8,128)
EXPENSES				
SALARIES	\$350,657	\$14,488	\$1,033,294	\$21,749
RETIREMENT (401 plan)	42,969	1,592	126,591	2,377
EMPLOYEE INSURANCE	89,081	12,429	263,705	35,197
ADVERTISING	63	63	188	188
SUBSCRIPTIONS & PUBLICATIONS	4,908	(876)	14,725	(3,383)
TRAVEL	25,800	8,512	72,217	18,698
TRAVEL-MEMBERS	0	0	2,000	1,471
RENT AND UTILITIES	37,844	5,132	113,532	98,117
CONSUMABLE & DURABLE SUPPLIES	3,729	1,852	12,188	8,453
POSTAGE, POST EQUIP RENTAL & FREIGHT	1,766	798	6,249	5,880
PRINTING	1,683	376	3,350	1,864
TELEPHONE SERVICE&VIDEO CONFERENCING	3,323	273	9,968	9,064
INTERNET ACCESS	3,723	109	11,168	10,546
EMPLOYEE TRAINING	2,250	1,321	6,750	3,813
CONFERENCES & MEETINGS	4,767	4,679	64,933	77,043
CONSULTANTS/CONTRACTOR-EXPENSES	0	0	0	1,714
CONSULTANT/CONTRACTOR FEES	3,200	(2,675)	5,200	19,455
CONSULTING FEES/LEGAL	83	(934)	250	1,017
401 &457 PLAN TRUSTEES FEES	170	4,770	510	511
INVESTMENT ADVISORY FEES	5,324	(3,876)	15,971	17,134
LEGISLATIVE - CONSULTING	11,000	11,000	33,000	187
BUSINESS INSURANCE	1,625	(2,341)	4,875	3,966
MAINTENANCE	1,088	(2,433)	3,263	4,640
BOND AMORTIZATION	2,943	(422)	8,830	10,619
MISCELLANEOUS	2,091	1,343	5,633	5,872
AUDIT & PAYROLL SERVICES	12,917	576	13,750	13,097
SOFTWARE LICENCES	3,333	1,912	10,000	1,913
TOTAL OPERATION EXPENSES	\$616,337	\$57,668	\$1,842,140	\$110,812
FURNITURE & EQUIPMENT	\$2,000	(\$1,804)	\$6,000	(\$32,962)
EXCESS REVENUE (EXPENSES)	\$5,962	\$48,815	\$52,561	\$69,722



MULTISTATE TAX COMMISSION
Balance Sheet
For the Three Months Ending 9/30/2017

ASSETS

CURRENT ASSETS

Money Market Accounts	\$46,788	
Cash in Banks	405,544	
Investments	7,853,923	
Petty Cash	711	
Accounts Receivable - Contracts	258,900	
Accounts Receivable - Program Fees	2,277,702	
Accounts Receivable - Other	215	
Prepaid Health Insurance	62,074	
Prepaid Maintenance	17,288	
Prepaid Subscriptions	39,287	
Accrued Interest	12,197	

TOTAL CURRENT ASSETS **\$10,974,629**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	508,077	
Leasehold Improvements	212,722	
Less: Accum Depred & Amortization	(554,103)	

TOTAL PROPERTY AND EQUIPMENT **\$166,697**

OTHER ASSETS

Expense Account Advances	\$6,000	
Rent Deposits	(863)	

TOTAL OTHER ASSETS **\$5,137**

TOTAL ASSETS **\$11,146,463**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$18,355	
Accrued Vacation Pay	372,454	
Payroll Taxes Payable	10	
Unearned Program Fees	5,260,109	

TOTAL CURRENT LIABILITIES **\$5,650,927**

FUND BALANCE

Appropriated Fund Bal-Enterprise Automation Project	\$555,715	
Appropriated Fund Bal-Equipment Reserve	99,206	
Restricted Fund Balance-Cumm	1,090,867	
Unappropriated Fund Balance-Cummula	3,658,222	
Unappropriated Fund Balance-Current	52,563	

TOTAL FUND BALANCE **\$5,456,574**

Add Back Asset Exp from Budget Rept	38,962	
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TOTAL LIABILITIES & FUND BALANCE **\$11,146,463**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Summary
 For the Three Months Ending 9/30/2017

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 Period: Three

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
REVENUES BY PROGRAM TYPE				
GENERAL OPERATIONS				
MEMBER ASSESSMENTS	\$110,833	\$110,833	\$332,500	\$332,500
OPERATIONS SUPPORT SURCHARGE-AUDIT	19,489	19,489	58,468	58,468
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,637	5,637	16,911	16,911
INVESTMENT INCOME	9,167	16,612	27,500	30,190
CONFERENCE FEES	0	2,070	26,000	26,795
MISCELLANEOUS REVENUE	42	0	125	0
TOTAL REVENUES-GENERAL OPERATIONS	\$145,168	\$154,641	\$461,504	\$464,864
ADMINISTRATIVE SERVICES				
AUDIT PROGRAM				
AUDIT PROGRAM FEES	377,431	379,948	1,132,294	1,139,845
TOTAL REVENUES-AUDIT	\$377,431	\$379,948	\$1,132,294	\$1,139,845
NEXUS PROGRAM				
NEXUS PROGRAM FEES	67,741	67,741	203,222	203,222
TOTAL REVENUES- NEXUS	\$67,741	\$67,741	\$203,222	\$203,222
TRAINING & EDUCATION				
NEXUS SCHOOLS	33,959	14,920	33,959	14,920
TOTAL REVENUES- TRAINING & EDUCATION	\$33,959	\$14,920	\$33,959	\$14,920
SITAS				
TOTAL REVENUES	624,299	617,250	1,830,979	1,822,851
				(8,128)
				\$3,350
				\$7,551
				\$0
				(19,039)
				(\$19,039)
				(7,049)

SITAS

TOTAL REVENUES

TOTAL REVENUES- TRAINING & EDUCATION

TRAINING & EDUCATION

NEXUS SCHOOLS

NEXUS PROGRAM

NEXUS PROGRAM FEES

TOTAL REVENUES- NEXUS

AUDIT PROGRAM

AUDIT PROGRAM FEES

TOTAL REVENUES-AUDIT

ADMINISTRATIVE SERVICES

TOTAL REVENUES-GENERAL OPERATIONS

MISCELLANEOUS REVENUE

CONFERENCE FEES

INVESTMENT INCOME

OPERATIONS SUPPORT SURCHARGE-NEXUS

OPERATIONS SUPPORT SURCHARGE-AUDIT

MEMBER ASSESSMENTS

GENERAL OPERATIONS

REVENUES BY PROGRAM TYPE



MULTISTATE TAX COMMISSION

**MULTISTATE TAX COMMISSION
Expenditure Summary
For the Three Months Ending 9/30/2017**

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Period: Three

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
EXPENDITURES BY PROGRAM				
GENERAL OPERATIONS	\$150,263	\$139,875	\$484,024	\$481,175
AUDIT	375,551	354,963	1,132,154	1,095,427
NEXUS PROGRAM	66,296	52,544	203,887	177,768
TRAINING & EDUCATION	26,225	15,092	28,075	15,918
TOTAL EXPENDITURES	\$618,335	\$562,474	\$1,848,140	\$1,770,288
EXPENDITURES BY MAJOR TYPE				
PERSONNEL	\$482,707	\$454,198	\$1,423,591	\$1,364,268
OPERATING EXPENSES	133,629	104,472	418,549	367,058
FURNITURE & EQUIPMENT	2,000	3,804	6,000	38,962
TOTAL EXPENDITURES	\$618,336	\$562,474	\$1,848,140	\$1,770,288
				Variance
				\$2,849
				36,727
				26,119
				12,157
				<u>\$77,852</u>
				\$59,323
				51,491
				(32,962)
				<u>\$77,852</u>



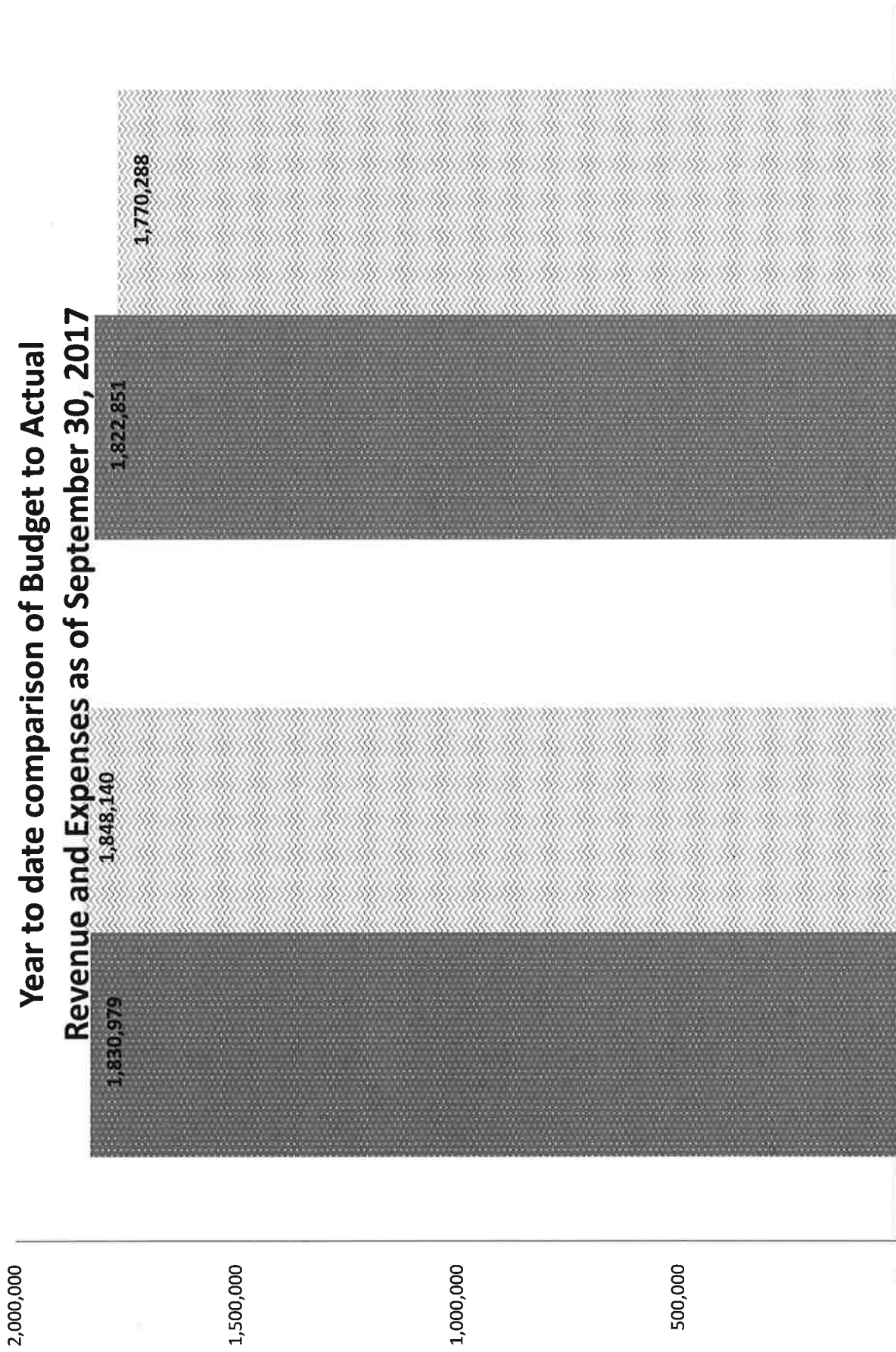
MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Details
For the Three Months Ending 9/30/2017

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Period:Three

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
				Variance
EXPENDITURES BY PROGRAM TYPE				
GENERAL OPERATIONS				
PERSONNEL	\$82,079	\$80,602	\$246,236	\$243,626
OPERATING EXPENSES	45,591	34,941	170,006	158,387
EQUIPMENT	417	0	1,250	1,250
ADMINISTRATIVE SERVICES	22,177	24,331	66,532	79,162
TOTAL EXPENSES - GENERAL OPERATIONS	\$150,264	\$139,874	\$484,024	(12,630)
ADMINISTRATIVE SERVICES				
PERSONNEL	\$55,109	\$49,094	\$165,326	\$7,077
OPERATING EXPENSES	33,091	35,118	99,272	102,923
EQUIPMENT	1,000	3,804	3,000	38,962
ADMIN. SERVICES ALLOCATION	(89,199)	(88,016)	(267,598)	(300,133)
TOTAL EXPS - ADMIN. SERVICES	\$1	\$0	\$0	(\$1)
AUDIT				
PERSONNEL	\$291,438	\$283,905	\$874,314	\$848,724
OPERATING EXPENSES	26,992	16,234	86,477	57,097
EQUIPMENT	250	0	750	750
ADMIN. SERVICES ALLOCATION	56,871	54,824	170,613	189,607
TOTAL EXPS - AUDIT	\$375,551	\$354,963	\$1,132,154	(18,994)
NEXUS PROGRAM				
PERSONNEL	\$41,817	\$32,154	\$125,450	\$105,226
OPERATING EXPENSES	14,078	11,530	47,233	41,177
EQUIPMENT	250	0	750	750
ADMIN. SERVICES ALLOCATION	10,151	8,861	30,454	31,365
TOTAL DIRECT EXPS - NEXUS PROGRAM	\$66,296	\$52,545	\$203,887	(911)
TRAINING & EDUCATION				
PERSONNEL	\$12,265	\$8,443	\$12,265	\$8,443
OPERATING EXPENSES	13,878	6,649	15,561	7,475
EQUIPMENT	83	0	250	250
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL EXPS - TRAINING & EDUCATION	\$26,226	\$15,092	\$28,076	\$15,918
SPECIAL PROJECTS (SITAS)				
PERSONNEL	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	0	0	0
EQUIPMENT	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL SPECIAL PROJECTS (SITAS)	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$618,338	\$562,474	\$1,848,141	\$77,851

Year to date comparison of Budget to Actual Revenue and Expenses as of September 30, 2017



Budget
 Total Revenue Year to date
 Total Expenses Year to date
 Actual